

UNIFORM SYSTEM OF ACCOUNTS

FOR

MUNICIPALLY OWNED SEWER UTILITIES

Effective January 1, 1976

**PUBLIC SERVICE COMMISSION
OF WISCONSIN**



State of Wisconsin \ PUBLIC SERVICE COMMISSION

September 30, 1988

CHARLES H. THOMPSON, CHAIRMAN
MARY LOU MUNTZ, COMMISSIONER
GEORGE R. EDGAR, COMMISSIONER

4802 Sheboygan Avenue
P. O. Box 7854
Madison, Wisconsin 53707

TO: All Municipal Utilities:

The purchase and use of computers by utilities for various accounting, record keeping and operating functions has been increasing at a rapid pace and this pace is expected to continue.

Under the Uniform System of Accounts, the normal classification for general use computers and computer related equipment has been Account 391, Office Furniture and Equipment. Due to the nature of this equipment, its service life and unit cost is significantly different from other classes of property included in Account 391.

Because of these differences we are making the accounting recommendation to all municipal utilities to segregate and subaccount all general use computers and computer related equipment to Account 391.1, Computers. It is recommended that the following depreciation rate be used for this subaccount:

Classes A, B, and C Water and Electric

<u>Account</u>	<u>Description</u>	<u>Service Life (Years)</u>	<u>Net Salvage (%)</u>	<u>Deprec. Rate (%)</u>
391.1	Computers	7	-0-	14.29%

Class D Water and Electric or Sewer

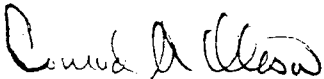
<u>Account</u>	<u>Description</u>	<u>Service Life (Years)</u>	<u>Net Salvage (%)</u>	<u>Deprec. Rate (%)</u>
372.1	Computers	7	-0-	14.29%

If your utility has already established a subaccount for its computer and computer related equipment and has a certified or authorized rate different from the above recommended rate, please continue to use the depreciation rate as previously authorized or certified to your utility.

All Municipal Utilities
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If your utility has information and/or reasons to use a service life different from the above recommended rate, please send this information to Clarence Mougin, Accounts and Finance Division for our analysis and determination.

Sincerely,

A handwritten signature in cursive script, appearing to read "Conrad A. Oleson".

Conrad A. Oleson, Administrator
Accounts and Finance Division

CAO:CEM:pdr09288802

UNIFORM SYSTEM OF ACCOUNTS

FOR

SEWER UTILITIES

of

Towns, Village or Cities
of the Fourth Class

Effective January 1, 1976
Revisions through December 21, 1981

Prescribed by

PUBLIC SERVICE COMMISSION OF WISCONSIN

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

In the Matter of Uniform Systems of)
Accounts for Municipally Owned Water,) 2-U-5005
Sewer, and Electric Utilities)

SUPPLEMENTAL ORDER
PRESCRIBING A UNIFORM SYSTEM OF ACCOUNTS FOR
SEWER OPERATIONS

Section 66.077, Wisconsin Statutes, created by Chapter 642 of the Laws of Wisconsin for 1949, enables any Town, Village or City of the fourth class, by ordinance, to constitute its water utility plant and its plant for the collection, treatment, and disposal of sewage into a single public utility subject to the regulatory powers of the Commission, as set forth in Chapters 66, 196 and 197, Wisconsin Statutes.

The Commission, by order dated July 21, 1950, in Docket No. 2-U-1138 (35 PSCW 511), first prescribed a uniform system of accounts applicable to such combined municipal sewer utility operations to be effective on and after January 1, 1951.

The passage of time and changes in accounting requirements and design of sewage plant facilities have rendered the present uniform system of accounts for municipal sewage utility operations inadequate.

The staff has developed a revised system of accounts reflecting current operational characteristics, facilities and accounting requirements of present-day sewer utility operations. Notice of the availability of a draft copy of the revised sewer systems of accounts for purposes of review and comment was sent to all utility and non-utility sewer operations reporting to the Commission as well as to those public accounting and engineering firms

which were known to have provided consulting services to sewer utilities. Such notice was mailed on March 4, 1975, to 167 municipalities having utility or non-utility sewer operations as well as to six engineering firms and to five accounting firms. Requests for draft copies were received from 52 parties. Comments and suggestions were received from one engineering firm. The system of accounts authorized herein incorporates changes to the preliminary draft based on review of comments received.

It is in the public interest that the use of the presently prescribed sewer system of accounts be discontinued and that there be substituted therefore the revised uniform system of accounts for municipal sewer operations as prescribed below.

ORDER

THE COMMISSION THEREFORE ORDERS:

1. That the revised uniform system of accounts for municipal sewer utility operations attached hereto and made a part hereof be and the same hereby shall be adopted by each municipal water utility for sewer operations where said utility has, by ordinance, combined its sewer and water operations to constitute a single public utility, as provided in section 66.077, Wisconsin Statutes.

2. That the revised uniform system of accounts for municipal sewer utility operations attached hereto and made a part hereof be made effective on and after January 1, 1976, and that said system of accounts is supplementary to and not a replacement of the municipal water utility uniform systems of accounts prescribed by the Commission on January 9, 1959, in the above-entitled matter.

Dated at Madison, Wisconsin,

December 5, 1975

By the Commission.

Francisca A. Di Lorenzo
Acting Secretary

ABSTRACT FROM WISCONSIN STATUTES

Section 66.077 (1) Any town, village, or city of the fourth class may construct, acquire, or lease, or extend and improve, a plant and equipment within or without its corporate limits for the furnishing of water to the municipality or to its inhabitants, and for the collection, treatment, and disposal of sewage, including the lateral, main and intercepting sewers, and all equipment necessary in connection therewith. Such plant and equipment, whether the structures and equipment for the furnishing of water and for the disposal of sewage shall be combined or separate, may by ordinance be constituted a single public utility.

(2) All of the provisions of Chapters 66, 196, and 197 as the same shall have been and from time to time may be amended or recreated, relating to a waterworks system, including, but not limited to, those provisions relating to the regulation of a waterworks system by the public service commission, shall apply to such combined waterworks and sewage disposal system as a single public utility. In prescribing rates, accounting and engineering practices, extension rules, service standards or other regulations for such combined waterworks and sewage disposal system, the public service commission shall treat the waterworks system and the sewage disposal system separately, unless such commission shall find that the public interest requires otherwise.

(3) Any town, village, or city of the fourth class which now owns or hereafter may acquire a waterworks plant and system and a plant or system for the treatment or disposal of sewage may by ordinance combine such system into a single public utility. After the effective date of such ordinance such combined utility shall be subject to all of the provisions of this section with the same force and effect as though originally acquired as a single public utility.

GENERAL INSTRUCTIONS

Abstracts from the statutes, definitions, instructions, and accounts contained in the uniform system of accounts for water utilities, prescribed by Order of this Commission in Docket No. 2-U-5005, dated January 9, 1959, shall be followed to the extent applicable in accounting for sewage operations of combined water and sewage utilities.

Balance sheet accounts and income accounts applicable to both water and sewer operations shall be subdivided where possible to show the portion applicable to water operations, the portion applicable to sewage operations, and the portion applicable to joint operations. Such subdivision shall be indicated by suffixing the account number with the letter "W", "S", or "J" and suffixing the account name with the word "Water", "Sewage", or "Joint".

Specific accounts, together with detailed instructions, are provided herewith and prescribed for use in recording sewage plant costs and sewage operating revenues and expenses.

SEWAGE PLANT ACCOUNTS

1. Intangible Plant

- 301 Organization
- 302 Franchises and Consents
- 303 Miscellaneous Intangible Plant

2. Collecting System

- 310 Land and Land Rights
- 311 Structures and Improvements
- 312 Service Connections, Traps, and Accessories
- 313 Collecting Mains and Accessories
- 314 Interceptor Mains and Accessories
- 315 Force Mains
- 316 Other Collecting System Equipment

3. Collecting System Pumping Installations

- 320 Land and Land Rights
- 321 Structures and Improvements
- 322 Receiving Wells
- 323 Electric Pumping Equipment
- 324 Other Power Pumping Equipment
- 325 Miscellaneous Pumping Equipment

4. Treatment and Disposal Plant

- 330 Land and Land Rights
- 331 Structures and Improvements
- 332 Preliminary Treatment Equipment
- 333 Primary Treatment Equipment
- 334 Secondary Treatment Equipment
- 335 Advanced Treatment Equipment
- 336 Chlorination Equipment
- 337 Sludge Treatment and Disposal Equipment
- 338 Plant Site Piping
- 339 Flow Metering and Monitoring Equipment
- 340 Outfall Sewer Pipes
- 341 Other Treatment and Disposal Plant Equipment

5. General Plant

- 370 Land and Land Rights
- 371 Structures and Improvements
- 372 Office Furniture and Equipment
- 373 Transportation Equipment
- 379 Other General Equipment

SEWAGE PLANT ACCOUNTS

6. Other Utility Plant

- 390 Other Tangible Property
- 391 Utility Plant Purchased or Sold
- 392 Utility Plant in Process of Reclassification
- 393 Utility Plant Leased to Others
- 394 Property Held for Future Use
- 395 Construction Work in Progress
- 396 Utility Plant Acquisition Adjustments
- 397 Other Utility Plant Adjustments

Note: Accounts 390 through 397 are not applicable to Class C utilities. Class C utilities will use appropriate accounts 102 through 109 as provided in the Balance Sheet Accounts for Class C water utilities.

UTILITY PLANT ACCOUNTS

1. Intangible Plant

301 Organization

This account shall include the cost of organizing the utility and putting it into readiness to do business.

Note: This account shall not include any discounts upon securities issued or assumed, nor shall it include any costs incident to negotiating loans, selling bonds, or other evidences of debt.

302 Franchises and Consents

A. This account shall include amounts paid to the Federal government, to a state or to a political subdivision thereof in consideration for franchises, consents, or certificates, running in perpetuity or for a specified term of more than one year, together with necessary and reasonable expenses incident to procuring such franchises, consents, or certificates of permission and approval.

B. Records supporting this account shall be maintained so as to show separately the book cost of each franchise or consent.

303 Miscellaneous Intangible Plant

A. This account shall include the cost of patent rights, licenses, privileges, and other intangible property necessary or valuable in the conduct of utility operations and not specifically chargeable to any other account.

B. When any item included in this account is retired or expires, the book cost thereof shall be credited hereto and charged to account 435, Miscellaneous Debits to Surplus, or account 110, Accumulated Provision for Depreciation and Amortization of Utility Plant, as appropriate.

C. This account shall be maintained in such a manner that the utility can furnish full information with respect to the amounts included herein.

2. Collecting System Plant and Equipment

310 Land and Land Rights

This account shall include the cost of land and land rights used in connection with Collecting System Plant and Equipment. (Class D utilities see Utility Plant Instruction 3. Class C utilities see Utility Plant Instruction 6.)

UTILITY PLANT ACCOUNTS

311 Structures and Improvements

This account shall include the cost in place of structures and improvements used in connection with collecting system not includible in other accounts provided for Collecting System Plant and Equipment. (Class D utilities see Utility Plant Instruction 4. Class C utilities see Utility Plant Instruction 7.)

312 Service Connections, Traps, and Accessories

This account shall include the cost of material and labor, and other costs and charges, such as permit fees, etc., incurred in the installation of service connections, sewage traps and accessories pertaining thereto, from the collecting pipes to the customer's premises or to the point of junction with the customer-owned portion of such service connection.

313 Collecting Mains and Accessories

This account shall include the cost of all mains, pipes, ducts, and accessories, the primary purpose of which is to convey sewage from the service connection to a point where it enters the interceptor main or pumping station within the collecting system.

314 Interceptor Mains and Accessories

This account shall include the cost of all mains, pipes, ducts, and accessories, the primary purpose of which is to convey sewage from various points in the collecting system to centrally located pumping stations or directly to the treatment plant or outfall pipe.

315 Force Mains

Charge to this account the cost installed of all mains, piping and special castings, valves, etc., used in the conveyance of sewage, under pressure, to the next pumping station or other junction point in the collecting system, to the treatment plant or directly to a point of final discharge.

316 Other Collecting System Equipment

Charge to this account the cost of all equipment used in the collecting process, which by their nature cannot be included in any other account of this functional group.

3. Collecting System Pumping Installations

320 Land and Land Rights

This account shall include the cost of land and land rights used in connection with collecting system pumping operations. (Class D utilities see Utility Plant Instruction 3. Class C utilities see Utility Plant Instruction 6.)

UTILITY PLANT ACCOUNTS

321 Structures and Improvements

This account shall include the cost in place of structures and improvements used in collecting system pumping operations. (Class D utilities see Utility Plant Instruction 4. Class C utilities see Utility Plant Instruction 7.)

322 Receiving Wells

This account shall include the cost of constructing wells at pumping stations or at other junction points along the collecting system, used for intercepting sewage for clearing and screening, transfer to a pumping well or otherwise further convey it along the collecting system to the treatment plant or point of final discharge.

Note: The cost of preassembled or "package lift stations" shall be appropriately allocated to account 322, Receiving Wells, and account 323, Electric Pumping Equipment.

323 Electric Pumping Equipment

Charge to this account the cost installed of all pumping equipment, operated by electric power, used in the collecting process. Such equipment shall include generating equipment (if any), prime movers, pumps and all appurtenant equipment and appliances. (See note to account 322 above.)

324 Other Power Pumping Equipment

Charge to this account the cost installed of all pumping equipment operated by other than electric power in the collecting process, such as diesel, steam, gasoline, etc. Such equipment shall include all apparatus used for the production of such power as well as all prime movers and pumps operated thereby, together with all accessory equipment except electric pumping equipment chargeable to account 323, Electric Pumping Equipment.

325 Miscellaneous Pumping Equipment

This account shall include the cost of miscellaneous equipment at pumping stations along the collecting system not included in any of the preceding accounts.

4. Treatment and Disposal Plant

330 Land and Land Rights

This account shall include the cost of land and land rights used in connection with sewage treatment plant operations. (Class D utilities see Utility Plant Instruction 3. Class C utilities see Utility Plant Instruction 6.)

UTILITY PLANT ACCOUNTS

331 Structures and Improvements

This account shall include the cost in place of structures and improvements used in connection with the operation of the sewage treatment plant. (Class D utilities see Utility Plant Instruction 3. Class C utilities see Utility Plant Instruction 7.)

332 Preliminary Treatment Equipment

This account shall include the cost of equipment, facilities, and supportive structures, the purpose of which is to remove from sewage those constituents which would otherwise clog or damage pumps or interfere with subsequent treatment processes. Preliminary treatment equipment and facilities include those devices designed to:

- (a) remove or to reduce in size large suspended or floating organic solids. These solids consist of pieces of wood, cloth, paper, garbage, together with some fecal matter.
- (b) remove heavy inorganic solids such as sand, gravel, and possible metallic objects, all of which are called grit.
- (c) remove excessive amounts of oils or greases.

Items

- 1. Racks and bar screens and associated manual and automatic cleaning equipment.
- 2. Grit chambers and associated manual and automatic cleaning equipment.
- 3. Comminuting devices and related facilities.
- 4. Pre-aeration tanks, for aeration of sewage before primary treatment, including associated aeration equipment.
- 5. Solids disposal equipment including devices for storage, incineration, grinding or other disposal.

333 Primary Treatment Equipment

This account shall include the cost of equipment, facilities, and supportive structures, the purpose of which is to remove from the sewage organic and inorganic settleable solids by the physical process of sedimentation. Include herein the cost of chemical treatment facilities, where the purpose of such treatment prior to sedimentation is to produce a floc or otherwise condition the sewage so as to cause the formation of larger more readily settleable solids. (Do not include chlorination equipment. See Account 336).

This account shall also include the cost of mechanical equipment contained in sedimentation tanks to collect scum and move the settled solids to sludge hoppers.

UTILITY PLANT ACCOUNTS

Items

1. Primary sedimentation tanks and associated manual and mechanical equipment for collecting scum and settled solids.
2. Chemical feeders.
3. Mixing units.
4. Flocculation tanks.

334 Secondary Treatment Equipment

This account shall include the cost of equipment, facilities, and supportive structures, used in the sewage treatment process which employs biological growths to effect aerobic decomposition or oxidation of organic material into more stable compounds to provide for a higher degree of treatment than that accomplished by primary sedimentation alone. This account shall also include the cost of secondary sedimentation or settling facilities.

Items

1. Trickling filters including filter media, underdrain systems, dosing tanks, distributors and related equipment.
2. Activated sludge aeration tank, aeration equipment, return activated sludge pumps and piping and related equipment.
3. Secondary sedimentation or settling tanks and associated manual or mechanical equipment for collecting scum and settled solids in sludge hoppers.
4. Contact aeration tanks beginning with the first stage aeration tank to the final settling tank, including aeration equipment, settled solids collecting equipment, and related facilities.
5. Intermittent sand filters including filter media, underdrainage system and related equipment.
6. Stabilization ponds.
7. Aerated lagoon, aerators, and related equipment.

335 Advanced Treatment Equipment

This account shall include the cost of equipment, facilities, and supportive structures, the purpose of which is to remove inorganic and organic substances such as ammonia, calcium, chloride, mercury, nitrate, phosphate, sulfate, or surfactants which are little affected by conventional treatment operations or processes. Advanced treatment methods may include physical, chemical or biological operations or processes depending on the type of wastewater to be treated and the types of substances to be affected and the degree to which they are to be removed.

UTILITY PLANT ACCOUNTS

Items

- A. Physical Processes
 - 1. Stripping towers, blowers and related equipment.
 - 2. Lime recovery equipment and related facilities.
 - 3. Recarbonation equipment and related facilities.
 - 4. Filtration equipment and facilities, i.e., multi-medium filter beds and microstrainers.
- B. Chemical Processes
 - 1. Chemical storage tanks.
 - 2. Feeder pumps.
 - 3. Mixers.
 - 4. Floc tanks.
 - 5. Carbon adsorption equipment and facilities.
 - 6. Ion exchange reactors or beds and associated equipment and facilities.
- C. Biological Processes
 - 1. Facilities and equipment associated with a bacterial assimilation process.
 - 2. Facilities and equipment associated with an algae harvesting process.
 - 3. Facilities and equipment associated with a nitrification denitrification process.

336 Chlorination Equipment

This account shall include the cost of all chlorination plant and equipment as employed in any of the stages of the sewage treatment process for any of the following purposes:

- (a) Disinfection or destruction of pathogenic organisms.
- (b) Prevention of sewage decomposition for purposes of odor control or protection of plant structures.
- (c) Aid in plant operation associated with sedimentation, trickling filters, or activated sludge bulking.
- (d) Reduction or delay of biochemical oxygen demand.

Items

- 1. Chlorine contact tanks and equipment including piping, pumps and other devices for conveying the chlorine solution from the chlorinators to the contact tanks.
- 2. Chlorinators and associated water supply piping and pumps.
- 3. Chlorine gas producing evaporators and associated piping for transmitting chlorine gas to the chlorinators.
- 4. Chlorine containers, lines for conveying chlorine to gas generators and associated equipment.

UTILITY PLANT ACCOUNTS

337 Sludge Treatment and Disposal Equipment

This account shall include the cost of facilities and equipment associated with the conveyance, treatment and disposal of sewage sludge which is comprised of the solids and water separated from the sewage effluent in the primary, secondary and advanced treatment processes. Do not include pumps and piping associated with return activated sludge which are to be included in account 334, Secondary Treatment Equipment.

Items

1. Sludge pumps and piping, not including that associated with return activated sludge.
2. Sludge thickening or concentration tanks and accessories.
3. Sludge digestion tanks and accessories, including gas collecting devices, heating equipment used in the digestion process, fuel storage and piping, including piping for conducting sludge gas to preheating equipment for use as fuel.
4. Equipment for destroying excess sludge gas generated in the digestors and not used as fuel.
5. Sludge lagoons.
6. Drying sand beds including underdrains, gravel and sand media and other associated facilities.
7. Chemical feed and mixing equipment used for the chemical conditioning of sludge.
8. Vacuum filtration equipment for dewatering sludge and other like equipment and accessories.
9. Heat drying facilities for reducing the moisture content of sludge.
10. Sludge disposal facilities including incinerators and other equipment required for disposal by burial, for use as fill or fertilizer or soil conditioner.

338 Plant Site Piping

This account shall include the cost of all piping and associated pumping equipment employed in the sewage treatment process to convey the effluent from one treatment process to another. This does not include any pumps or piping used for the transmission of sludge or any other equipment functionally classifiable to other sewage treatment plant accounts.

339 Flow Metering and Monitoring Equipment

This account shall include the cost of facilities employed to measure or meter the volume of effluent entering the treatment process as well as any special equipment installed for the purpose of centrally monitoring by remote facilities various stages of the sewage or sludge treatment process.

UTILITY PLANT ACCOUNTS

340 Outfall Sewer Pipes

This account shall include the cost installed of all pipes, their appurtenances, fittings, etc., through which the final sewage effluent from the treatment plant, or from disposal and/or treatment points designated as such along the collecting system, is discharged to a stream, lake or river bed, or other point of final disposal.

341 Other Treatment and Disposal Plant Equipment

This account shall include the cost of stationary and movable equipment of all kinds used in any stage of the treatment and disposal process, which equipment is not of such nature as to be properly includible in any of the other accounts in this functional group.

5. General Plant

370 Land and Land Rights

This account shall include the cost of land and land rights used for utility purposes, the cost of which is not properly includible in other land and land rights accounts. (Class D utilities see Utility Plant Instruction 3. Class C utilities see Utility Plant Instruction 6.)

371 Structures and Improvements

This account shall include the cost in place of structures and improvements used for utility purposes, the cost of which is not properly includible in other structures and improvements accounts. (Class D utilities see Utility Plant Instruction 4. Class C utilities see Utility Plant Instruction 7.)

372 Office Furniture and Equipment

This account shall include the cost of office furniture and equipment owned by the utility and devoted to utility service, and not permanently attached to buildings, except the cost of such furniture and equipment which the utility elects to assign to other plant accounts on a functional basis.

Items

1. Bookcases and shelves.
2. Desks, chairs, and desk equipment.
3. Drafting-room equipment.
4. Filing, storage, and other cabinets.
5. Floor covering.
6. Library and library equipment.
7. Mechanical office equipment, such as accounting machines, typewriters, etc.
8. Safes.
9. Tables.

UTILITY PLANT ACCOUNTS

373 Transportation Equipment

This account shall include the cost of transportation vehicles used for utility purposes.

Items

1. Automobiles.
2. Bicycles.
3. Electrical vehicles.
4. Motor trucks.
5. Motorcycles.
6. Repair cars or trucks.
7. Tractors and trailers.
8. Other transportation vehicles.

379 Other General Equipment

This account shall include the cost installed of the following equipment:

- (1) Equipment used for the receiving, shipping, handling and storage of materials and supplies when not an integral part of the housing structure.
- (2) Equipment specially provided for general shops when such equipment is not an integral part of the housing structure.
- (3) Laboratory equipment used for general laboratory purposes and not specially provided for or includible in other departmental or functional plant accounts.
- (4) Tools, implements, and equipment used in construction or repair work exclusive of equipment includible in other equipment accounts.
- (5) Other general equipment, apparatus, etc., used in the utility's sewer operations, and which is not includible in any other account.

Note: General equipment of the nature indicated above whenever practicable shall be assigned to the sewer plant accounts on a functional basis.

UTILITY PLANT ACCOUNTS

6. Other Utility Plant

The following accounts 390 through 397 are applicable to Class D utilities only. Class C utilities will use the appropriate accounts 102 through 109 as provided in the Balance Sheet Accounts.

390 Other Tangible Property

This account shall include the cost of tangible utility plant not provided for elsewhere.

391 Utility Plant Purchased or Sold

This account shall be charged with the cost of utility plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise, and shall be credited with the selling price of like property transferred to others pending the distribution to appropriate accounts as the Commission shall approve or direct.

392 Utility Plant in Process of Reclassification

A. This account shall include temporarily the balance of utility plant as of the effective date of the prior system of accounts, which has not yet been reclassified as of the effective date of this system of accounts. The detail or primary accounts in support of this account employed prior to such date shall be continued pending reclassification into the utility plant accounts herein prescribed but shall not be used for additions, betterments, or new construction.

B. No charges other than as provided in paragraph A, above, shall be made to this account, but retirements of such unclassified utility plant shall be credited hereto and to the supporting (old) fixed capital accounts until the reclassification shall have been accomplished.

393 Utility Plant Leased to Others

A. This account shall include the original cost of utility plant owned by the utility, but leased to others as operating units or systems, where the lessee has exclusive possession.

B. The property included in this account shall be classified according to the detailed accounts prescribed for utility plant in service, and this account shall be maintained in such detail as though the property were used by the owner in its utility operations.

394 Property Held for Future Use

A. This account shall include the original cost of property owned and held for future use in utility service under a definite plan for such use. There shall be included herein property acquired but never used by the utility in utility service, but held for such service in the future under a definite plan, and property previously used by the utility in utility service pending its reuse in the future, under a definite plan, in utility service.

UTILITY PLANT ACCOUNTS

B. The property included in this account shall be classified according to the detailed accounts prescribed for utility plant in service and the account shall be maintained in such detail as though the property were in service. Separate subaccounts shall be maintained hereunder for each utility department for which plant is held for future use.

Note: Materials and supplies and normal spare capacity of plant in service shall not be included in this account.

395 Construction Work in Progress

This account shall include the total of the balances of work orders for utility plant in process of construction but not ready for service at the date of the balance sheet.

396 Utility Plant Acquisition Adjustments

A. This account shall include the differences between (a) the cost to the accounting utility of utility plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise, and (b) the original cost, estimated, if not known, of such property; less the amount or amounts credited by the accounting utility at the time of acquisition to depreciation and amortization reserves and contributions in aid of construction with respect to such property.

B. The amounts recorded in this account with respect to each property acquisition shall be amortized, or otherwise disposed of, as the Commission may approve or direct.

397 Other Utility Plant Adjustments

A. This account shall include the difference between the original cost, estimated if not known, and the book cost of utility plant to the extent that such difference is not properly includible in account 396, Utility Plant Acquisition Adjustments.

B. Amounts included in this account shall be classified in such manner as to show the origin of each amount and shall be disposed of as the Commission may approve or direct.

Note: The provisions of this account shall not be construed as approving or authorizing the recording of appreciation of utility plant.

OPERATING REVENUE ACCOUNTS

1. Sewerage Revenues

- 621 Flat Rate Service to General Customers
- 622 Measured Service to General Customers
- 623 Service to Public Authorities
- 624 Service to Other Systems
- 625 Other Sewerage Service
- 626 Interdepartmental Service

2. Other Operating Revenues

- 631 Customers Forfeited Discounts
- 632 Servicing of Customers Laterals
- 633 Sale of Fertilizer
- 634 Rent from Sewerage Property
- 635 Miscellaneous Operating Revenues
- 636 Amortization of Construction Grants

OPERATING REVENUE ACCOUNTS

1. Sewerage Revenues

621 Flat Rate Service to General Customers

A. This account shall be credited with all revenue for sewerage service rendered to residential, commercial, and industrial property where the charge is not dependent upon metered water consumption or metered effluent output but is based on diameter of service, structure size, area, front footage or other similar unit.

B. All revenues credited hereto shall be classified to one of the following subaccounts:

- 621.1 Residential Revenues
- 621.2 Commercial Revenues
- 621.3 Industrial Revenues
- 621.4 Revenues from Public Authorities

Note: When service is supplied through a single lateral to property used for both residential and commercial purposes, the total revenue shall be included in subaccount 621.1 or 621.2 according to the principal use of the property.

622 Measured Service to General Customers

A. This account shall be credited with all revenue for sewerage service rendered to residential, commercial, and industrial property where the charge is, or may be, in any way dependent on the quantity of water consumed or the quantity of effluent output by the customers.

B. All revenues credited hereto shall be classified to one of the following subaccounts:

- 622.1 Residential Revenues
- 622.2 Commercial Revenues
- 622.3 Industrial Revenues
- 622.4 Revenues from Public Authorities

Note: See note following account 621 above.

623 Service to Public Authorities

This account shall be credited with revenues derived from sewerage service to properties of municipalities or other divisions or agencies of Federal or state governments where such service is rendered and billed under special contracts or agreements or service classifications applicable only to public authorities, except such revenues which are includable in account 624, Service to Other Systems. Service to public authority customers billed under general service (flat rate or measured service) rate schedules shall be credited to account 621 or 622 as appropriate.

OPERATING REVENUE ACCOUNTS

624 Service to Other Systems

This account shall be credited with all revenues derived from sewerage service rendered to other sewerage systems, whether operated by a public authority or a private enterprise.

625 Other Sewerage Service

This account shall be credited with all revenues derived from residential or commercial service furnished to any customer served without a permanent service connection and for all other sewerage service not elsewhere provided for.

626 Interdepartmental Service

This account shall be credited with all amounts charged by the sewer department at tariff or other specified rates for sewerage service provided by it to other utility departments.

2. Other Operating Revenues

631 Customers Forfeited Discounts

This account shall include the amounts which the utility allows its customers on condition that they pay their sewage bills on or before a specified date and which are forfeited by customers because of failure to pay within the specified time. There shall likewise be credited hereto the amounts of penalties imposed by the utility on its customers because of failure to pay bills within a specified time.

632 Servicing of Customers Laterals

This account shall include revenues accruing to the utility from charges to customers on account of the maintenance of laterals installed on customers' premises.

633 Sale of Fertilizer

This account shall include revenues received from the sale of by-product sludge sold as fertilizer.

634 Rent from Sewerage Properties

This account shall include all revenues derived from rents received for the use by others of land, buildings, and other property devoted to sewerage operations by the utility.

OPERATING REVENUE ACCOUNTS

635 Miscellaneous Operating Revenues

This account shall include revenues incidental to sewage operations not includible in any of the foregoing accounts. This covers such items as fees and charges for changing, connecting and disconnecting service and profit on the sale of materials and supplies not ordinarily purchased for resale.

636 Amortization of Construction Grants

When authorized by the Commission, this account shall include credits for amortization of construction grants received from state and Federal agencies. (See account 271, paragraph D, in Municipal Water Utility System of Accounts.)

OPERATING EXPENSE ACCOUNTS

1. Operation Expenses

- 820 Supervision and Labor
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OPERATING EXPENSE ACCOUNTS

1. Operation Expenses

820 Supervision and Labor

This account shall include the cost of supervision and labor incurred in the operation of those plant facilities classified as collecting system, collecting system pumping installations and treatment and disposal plant.

Items

1. Operating power and pumping equipment.
2. Observing and recording flow.
3. Operating purification equipment.
4. Cleaning tanks, filter beds and other equipment.
5. Laboratory analysis work.
6. Work on customers' premises.

821 Power and Fuel for Pumping

This account shall include the cost of electric power and the cost of fuel purchased for use in the operation of pumping facilities located on the collecting system and at the sewerage treatment and disposal plant.

Items

1. Electric power.
2. Diesel fuel.
3. Gasoline.
4. Liquefied propane gas.

822 Power and Fuel for Aeration Equipment

This account shall include the cost of electric power and the cost of fuel for use in the operation of aeration equipment associated with aeration lagoons located at the sewerage treatment and disposal plant.

Items

1. Electric power.
2. Diesel fuel.
3. Gasoline.
4. Liquefied propane gas.

823 Chlorine

This account shall include the cost of chlorine chemicals used in the treatment of sewage.

824 Phosphorus Removal Chemicals

This account shall include the cost of chemicals used for the removal of phosphorous in the sewage treatment process.

OPERATING EXPENSE ACCOUNTS

Items

1. Lime.
2. Alum.
3. Ferric chloride or sulfate.

825 Sludge Conditioning Chemicals

This account shall include the cost of chemicals used in the sewage treatment process to condition sludge for dewatering.

Items

1. Ferric chloride.
2. Lime.
3. Alum.
4. Organic polymers.

826 Other Chemicals for Sewage Treatment

This account shall include the cost of all chemicals used in the treatment of sewage except for chlorine, phosphorous removal chemicals, and sludge conditioning chemicals properly chargeable to accounts 823, 824 and 825, respectively.

827 Other Operating Supplies and Expenses

This account shall include the cost of supplies used and expenses incurred in the operation of collection system, collecting system pumping installations and the treatment and disposal plant.

Items

1. General operating supplies such as tools, gaskets, packing, shop towels, gauge glasses, hose, lubricants, indicating lamps, record and report forms, etc.
2. First aid supplies and safety equipment.
3. Building service expenses.
4. Laboratory supplies.
5. Utility service.

828 Transportation Expenses

A. This account shall include the cost of labor, materials used and expenses incurred in the operation and maintenance of general transportation equipment of the utility.

B. This account may be used as a clearing account in which event the charges hereto shall be cleared by apportionment to the appropriate operating expense, utility plant, or other accounts on a basis which will distribute the expenses equitably. Credits to this account shall be made in such detail as to permit ready analysis.

OPERATING EXPENSE ACCOUNTS

Items

1. Depreciation of transportation equipment.
2. Insurance on transportation equipment.
3. License fees for vehicles and drivers.
4. Rents for transportation equipment.
5. Repairs of transportation equipment.
6. Supplies such as gas, oil, tires, tubes, grease, etc.

Note: Transportation expense applicable to construction shall not be included in operating expenses.

829 Rents

This account shall include the cost incurred for use of property owned by others upon or under which property are located structures or other facilities used in connection with the sewage collection, pumping or treatment and disposal process.

2. Maintenance

831 Maintenance of Collection System

This account shall include the cost of labor employed, materials used and expenses incurred in repairing and maintaining the sewage collection system of mains and laterals.

832 Maintenance of Collection System Pumping Equipment

This account shall include the cost of labor employed, materials used and expenses incurred in repairing and maintaining the sewage collection system pumping stations.

833 Maintenance of Treatment and Disposal Plant Equipment

This account shall include the cost of labor employed, materials used and expenses incurred in repairing and maintaining treatment and disposal plant equipment.

834 Maintenance of General Plant Structures and Equipment

This account shall include the cost of labor employed, materials used and expenses incurred in repairing and maintaining general plant buildings and equipment in operating condition.

3. Customer Accounting and Collection Expense

840 Billing, Collecting and Accounting

This account shall include the wages of employees, supplies used and expenses incurred in customer billing and accounting work, collecting customers bills and miscellaneous work incurred in connection with customer accounting and collecting.

OPERATING EXPENSE ACCOUNTS

Items

1. Address plates.
2. Bookkeeping, clerical and cashier work.
3. Collecting.
4. Credit investigations.
5. Delivering bills.
6. Janitor work.
7. Printing of bills.
8. Postage.
9. Stationery and supplies for keeping customers' accounts.

841 Flat Rate Inspections

Where rates for sewerage service to customers are determined on the basis of the number and/or type of plumbing fixtures installed in customers' premises, the size and/or number of rooms therein, or some basis of a similar nature, this account shall be charged with the cost of labor and expenses incurred in connection with the periodic investigations and inspections, conducted in order to ascertain the consistency or change (if any) in the status of such customers, for the purpose of determining and maintaining an accurate basis for billing.

842 Meter Reading

Where charges for sewerage service are determined on the basis of water meter readings, whether the respective customers are identical with the utility's water service customers (in such instances where the utility also provides water utility service) or the utility shares the cost of a water utility's meter readings for identical customers, this account shall be charged with that portion of the costs of water meter reading allocable to the utility's sewerage service activities, or the amount for which it is billed by such water company.

843 Uncollectible Accounts

A. This account shall be charged with amounts previously credited to operating revenue accounts which have proved impracticable of collection and shall be credited with amounts collected on accounts previously written off.

B. This account may include charges based on estimates to provide a reserve for uncollectible accounts due from customers. Amounts thus charged shall be credited to account 144, Accumulated Provision for Uncollectible Accounts. When the reserve method is followed, uncollectible accounts shall be written off against the reserve, and, likewise, when collections are made on accounts previously written off, such amounts shall be credited to the reserve account.

OPERATING EXPENSE ACCOUNTS

4. Administrative and General Expenses

850 Administrative and General Salaries

This account shall include the salaries of officers of the utility and that portion of the salaries of employees engaged in the general office not chargeable directly to any of the preceding expense accounts.

Note: When the duties of an officer or employee include customer accounting and collection work or operational responsibilities his salary should be charged functionally to appropriate accounts on the basis of time devoted to each function.

851 Office Supplies and Expenses

This account shall include the cost of office supplies used and expenses incurred in connection with the general and administrative functions of the utility's sewage operations.

Items

1. Books and periodicals for office use.
2. Heating of general offices.
3. Office supplies.
4. Postage.
5. Printing.
6. Stationery.
7. Travel expenses.
8. Telephone and telegraph.

852 Outside Services Employed

A. This account shall include the fees and expenses of professional consultants and others for general services which are not applicable to a particular operation function nor to other accounts. It shall include also the pay and expenses of persons engaged for a special or temporary administrative or general purpose in circumstances where the person so engaged is not considered an employee of the utility.

B. This account shall be so maintained as to permit ready summarization according to the nature of service and the person furnishing the same.

Items

1. Fees, pay and expenses of accountants and auditors, actuaries, appraisers, attorneys, engineering consultants, management consultants, negotiators, public relations counsel, tax consultants, etc.
2. Supervision fees and expenses paid under contracts for general management services.

OPERATING EXPENSE ACCOUNTS

853 Insurance Expense

A. This account shall include the cost of insurance or of reserve accruals (1) to protect the utility against losses and damages to owned or leased property used in its utility operations and (2) to protect the utility against injuries and damages claims of employees or others, losses of such character not covered by insurance, and expenses incurred in settlement of injuries and damages claims.

B. Recoveries from insurance companies or others for property damages shall be credited to the account charged with the cost of the damage. If the damaged property has been retired, the credit shall be to the appropriate subaccount of the accumulated provision for depreciation.

C. Reimbursements from insurance companies or others for expenses charged hereto on account of injuries and damages and insurance dividends or refunds shall be credited to this account.

854 Employees Pensions and Benefits

A. This account shall include pensions paid to or on behalf of retired employees, or accruals to provide for pensions, or payments for the purchase of annuities for the purpose, when the utility has definitely, by contract, committed itself to a pension plan under which the pension funds are irrevocably devoted to pension purposes, and payment for employee accident, sickness, hospital, and death benefits, or insurance therefor. Include, also, expenses incurred in medical, educational or recreational activities for the benefit of employees.

B. The utility shall maintain a complete record of accruals or payments for pensions and be prepared to furnish full information to the Commission of the plan under which it has created or proposes to create a pension fund and a copy of the declaration of trust or resolution under which the pension plan is established.

C. There shall be credited to this account the portion of pensions and benefits expenses which is applicable to nonutility operations or which is charged to construction unless such amounts are distributed directly to the accounts involved and are not included herein in the first instance.

855 Regulatory Commission Expenses

A. This account shall include all expenses (except pay of regular employees only incidentally engaged in such work) properly includible in utility operating expenses, incurred by the utility in connection with formal cases before regulatory commissions, or other regulatory bodies, or cases in which such a body is a party, including payments made to a regulatory commission for fees assessed against the utility for pay and expenses of such commission, its officers, agents and employees.

OPERATING EXPENSE ACCOUNTS

B. Amounts of regulatory commission expense which by approval or direction of the Commission are to be spread over future periods shall be charged to account 183, Other Deferred Debits, and amortized by charges to this account.

856 Miscellaneous General Expenses

This account shall include the expenses incurred in connection with the general management of the utility not provided for elsewhere.

Items

1. Industry association dues for company memberships.
2. Contributions for conventions and meetings of the industry.
3. Experimental and general research work for the industry.
4. Communication service not chargeable to other accounts.
5. Trustee and registrar fees and expenses.
6. Publishing and distributing annual reports.
7. Advertising.
8. Public notices of financial, operating, and other data required by regulatory statutes.

857 Rents

This account shall include miscellaneous general rents, properly includible in sewage operating expenses, covering the property of others used, occupied or operated in connection with the customer accounting and collecting and the administrative and general functions of the utility.